



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 4, 2015

Certified Return Receipt Requested
7013 3020 0002 3659 5200

Hudson Insurance Company
100 William Street, 5th Floor
New York City, New York 10038

Subject: Cancellation of Surety Bond Number _____, Star Stone Quarries, Cotton
Thomas Quarry, M/003/0024, Box Elder County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated February 24, 2015, regarding cancellation of surety bond _____ the amount of \$179,900.00 effective 90 days from the Division's receipt of your letter. The Division received the letter March 4, 2015; 90 days from that date is June 2, 2015, which is the effective date of the cancellation identified in the letter. The mine operator, Star Stone Quarries, is being advised that a replacement surety must be provided by May 3, 2015.

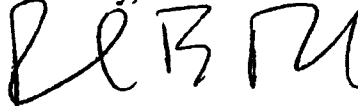
Under the terms of the above referenced surety bond, Hudson Insurance Company remains liable for reclamation of the existing disturbance. If the surety is not replaced by May 3, 2015, the Division will immediately issue a cessation order to Star Stone Quarries and demand that it commence reclamation. Failure of Star Stone Quarries to reclaim the mine within 30 days of issuance of the cessation order may result in the Division making demand on Hudson Insurance Company to either proceed with reclamation or to pay to the Division the amount of the bond. If Hudson Insurance Company fails to complete reclamation or make payment as requested, the Division may proceed to file a Request for Agency Action with the Board of Oil, Gas and Mining to seek forfeiture of the bond.

Please confirm that you remain responsible as surety for the reclamation of the existing disturbance. We also ask that you advise the Division immediately if there is any reason or if any conditions arise that may preclude you from continuing as surety for reclamation of the existing disturbance.

Page 2 of 2
Hudson Insurance Company
M/003/0024
March 4, 2015

Thank you for your cooperation. If you have any questions, please feel free to call me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'PB M'.

Paul Baker

Minerals Program Manager

PBB:pb

Enclosure Letter to operator dated March 4, 2015 and copy of surety

Cc: Lon Thomas, Star Stone Quarries

Stephen Allen, SL BLM (sallen@blm.gov)

P:\GROUPS\MINERALS\WPM003-BoxElder\M0030024-CottonThomas\final\cancel-surety-03042015.doc



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 4, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 5217

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Notice of Cancellation/Termination of Reclamation Surety, Bond Number 6H, Star
Stone Quarries, Cotton Thomas Quarry, M/003/0024, Box Elder County, Utah

Dear Mr. Thomas:

The Division of Oil, Gas and Mining (Division) was notified that the surety bond for the Cotton Thomas quarry, permit number M/003/0024, will be cancelled effective June 2, 2015. The terms of the surety state that the bond may be cancelled by the Surety ninety (90) days following receipt by the Division and Principal of such cancellation.

Paragraph 5 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice. If you fail to provide a replacement surety by May 3, 2015, the Division will be forced to do any/some of the following:

- Carry out the terms of surety bond number
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or by email at pennyberry@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:pb

Cc: Hudson Insurance Company
Stephen Allen, SL BLM (sallen@blm.gov)

P:\GROUPS\MINERALS\WP\M003-BoxElder\M0030024-CottonThomas\final\cancel-operator-03042015.doc

